



MAGIC VALLEY

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA, & TWIN FALLS COUNTIES

EMPLOYMENT TRENDS

The Magic Valley Labor Market Area's seasonally adjusted unemployment rate for August 2002 was 3.2 percent. This is one-tenth of a percentage point higher than August 2001, but five-tenths of a percentage point lower than July 2002. *Civilian Labor Force* was down 1.6 percent year-over-year, while the number of unemployed was slightly higher than a year ago. However, the 3.2 percent unemployment rate was one of the lowest of any Labor Market Area or Metropolitan Statistical Area in Idaho.

Nonfarm Payroll Jobs dropped by 1.5 percent from August 2001 levels. This marks the third straight month of slowing or declining job growth. As expected, sectors dependent upon state funding such as *Government-Education* and *Government-Administration* showed declines of 2.6 percent and 0.5 percent, respectively. Also showing declines were *Retail Trade*, *Finance*, *Insurance*, and *Real Estate*, and *Services* with declines of 1.2, 4.3, and 3.9 percent, respectively. The sectors that showed significant gains were *Manufacturing-Durable Goods* and *Wholesale Trade* with gains of 10.6 percent and 1.8 percent, respectively.

The mixed signals in sector analysis indicate there has been some slowing in the local economy with regard to job creation. However, the low unemployment rate indicates that in relative terms the Magic Valley economy is the most robust in the state. Losses in education jobs are a concern because they are typically high-paying jobs with benefits, however, the expanded hiring at Dell Computers and the new hiring at WOW Logistics indicates that new, good-paying jobs with benefits are being created. Retailers, understandably, are showing some caution in hiring and are not creating a lot of new jobs, however, the existing jobs are very stable in this sector. *Food Processing* in western Magic Valley continues to be stable and strong. Consumer confidence remains high. Agricultural commodity prices remain good, especially in potatoes, and the 2002 crop is one of the best on record. There are serious water concerns for 2003. Reservoir carryover is the lowest in many years and an above-normal water year is

Magic Valley Table 1: Labor Force & Employment
Twin Falls, Jerome, and Gooding Counties

	Aug 2002*	July 2002	Aug 2001	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	49,240	49,260	50,030	0.0	-1.6
Unemployment	1,560	1,830	1,530	-14.8	2.0
% of Labor Force Unemployed	3.2	3.7	3.1		
Total Employment	47,680	47,430	48,500	0.5	-1.7
Unadjusted					
Civilian Labor Force	50,830	50,560	51,590	0.5	-1.5
Unemployment	1,730	1,740	1,670	-0.6	3.6
% of Labor Force Unemployed	3.4	3.4	3.2		
Total Employment	49,100	48,820	49,920	0.6	-1.6
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	39,420	39,100	40,030	0.8	-1.5
Goods-Producing Industries	7,680	7,350	7,640	4.5	0.5
Mining & Construction	2,080	2,080	2,090	0.0	-0.5
Manufacturing	5,600	5,270	5,550	6.3	0.9
Durable Goods	940	960	850	-2.1	10.6
Nondurable Goods	4,660	4,310	4,700	8.1	-0.9
Food Processing	3,660	3,330	3,710	9.9	-1.3
All Other Nondurable Goods	1,000	980	990	2.0	1.0
Service-Producing Industries	31,740	31,750	32,390	0.0	-2.0
Transportation, Comm., & Utilities	2,650	2,610	2,660	1.5	-0.4
Wholesale Trade	2,310	2,440	2,270	-5.3	1.8
Retail Trade	8,200	8,150	8,300	0.6	-1.2
Finance, Insurance, & Real Estate	1,320	1,310	1,380	0.8	-4.3
Services	10,420	10,450	10,840	-0.3	-3.9
Government Administration	3,860	3,820	3,880	1.0	-0.5
Government Education	2,980	2,970	3,060	0.3	-2.6

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

needed to replenish water levels. In summary, despite not being immune to outside economic influences, the Magic Valley continues to be a leading performer in the state, and while job growth will continue to cool, the low unemployment rate should continue throughout 2002.

AREA DEVELOPMENTS

Twin Falls County

- Dell Computers announced that it would be expanding its workforce by approximately 150 workers by December 2002. This would increase its workforce to about 750 workers from its present level. Dell will also start a pilot program with 20 part-time workers to cover call-load peaks. This is the first time that Dell has employed any part-time workers, and the company will assess the pilot program's effectiveness before making the decision to continue or expand the program. In January and February 2002, Dell started with a workforce of 100 and quickly expanded to 200 workers. Dell has continued to recruit workers and expand as quickly as possible. Dell now has over 600 workers and should reach 750 by the end of 2002.

The rapid increase in Dell market share has created the pressing need for more technical support. Dell has been extremely pleased by the abilities and work ethic of the Magic Valley workers and this has prompted the quick expansion. In addition to technical support personnel, Dell also has hired about 100 workers to function as Consumer Advocacy Representatives to handle such things as bill inquiries, etc.

- A new sporting goods store, the Avid Sportsman, opened September 9 in Buhl. It is located at 650 South Broadway. Bradley Bremers and his wife Amber, along with Brad's father David Bremers, are partners in the venture. The new store features hunting and fishing equipment, clothing, and accessories. There is also a gas, foods, and smoke shop. The store is currently open seven days a week from 5 a.m. to 9 p.m. A grand opening is planned for sometime in October.
- The United Furniture Warehouses announced that both of their locations will be going out of business. The businesses are located on Kimberly Road in Twin Falls and in the Snake River Mall in Burley. The closure will affect 5 to 10 employees at each location.
- FedEx Ground announced the addition of a small Twin Falls terminal specializing in residential deliveries. This is part of the company's final phase of the FedEx Home Delivery network expansion nationwide. With the opening of terminals in Twin Falls, Pocatello, and 47 other U.S. cities, FedEx Ground now boasts dedicated home delivery to virtually the entire U.S. population. A portion of the existing FedEx Ground facility at 217 West U.S. Highway 30 now is dedicated to the home-delivery service, with coverage north to Ketchum, south to Twin Falls' south border, east to Burley, and west to Bliss. The new home delivery service added one service manager employee and one driver on contract to bring the total workers at the facility to 15. The company hopes to add more jobs in the near future.
- The City of Twin Falls is remodeling a building across the street from city hall for a new city council chamber at 305 Third Ave. East. The 6,200-square-foot building is being remodeled to increase the size of the city council chamber. Over time, the building will become home to city offices and a conference room. The initial project will cost \$256,650.

Blaine, Camas, Gooding, Jerome, and Lincoln Counties

- Horizon Air announced that it will offer a daily flight from Boise to Hailey for ski-season service. The once daily round trip will start December 15, 2002 and continue through March 30, 2003. The new flight will increase air connections to the Wood River Valley, particularly from cities in Washington, Oregon, California, and the Midwest. The flight will depart Boise at 1:55 pm and arrive at Friedman Memorial Airport in Hailey at 2:35 pm. The return flight leaves at 4:00 pm and arrives in Boise at 4:40 pm. Horizon will operate a 37-seat Q200 aircraft on the route.
- The number of hotel rooms available for tourists in the northern Wood River Valley has decreased noticeably

in the last three years. Between 1999 and 2002, Ketchum has lost 111 hotel rooms and an undetermined number of condominiums, according to the Sun Valley-Ketchum Chamber and Visitors Bureau. That loss will increase by 132 rooms when the recently sold Elkhorn resort closes this fall to make way for condominiums. When Elkhorn closes, the lost hotel rooms will constitute 26 percent of the north valley's hotel rooms. Recent hotel closures include the Christiana Motor Lodge, Heidelberg Inn, Ketchum Corral, and the Ski View Lodge. Hoteliers and Sun Valley marketing specialists contend that the closures are not due to decreased demand, but rather because lodging properties are becoming more valuable than the lodges themselves.

Cassia and Minidoka Counties

- The Mini-Cassia Development Commission sponsored a two-day dairy tour and presentation to study the feasibility of the Mini-Cassia area accommodating several new dairies and milk processing plants in the near future. The group toured the Midway Dairy near Raft River and the Whiteside Dairy between Minidoka and Acequia. Terry R. Smith, Ph.D., of Dairy Strategies, LLC in Madison, Wisconsin presented a report on the economic impact of new dairies and milk processing plants in Minidoka and Cassia Counties. The report said that 20 dairies with a cash investment of \$243 million would result in approximately 35 new jobs per dairy at an average wage of \$22,000 per year. The report stated that the dairy expansion would more than compensate for the projected job losses and economic impact of the Simplot closure and would eventually lead to long-term growth and economic strength in the area.
- The Idaho Department of Health and Welfare and Trans IV public bus service announced that a year-round bus route will be established from the Mini-Cassia area to Twin Falls beginning November 4. The purpose of the bus route will be to provide relatively low cost transportation to workers that have been displaced as a result of the Simplot closure and other people working in the Twin Falls area. The bus also will travel to the College of Southern Idaho where many of the displaced workers will be attending classes to retrain them for future employment. The good job market in the Twin Falls area and the recent announcement of additional hiring at Dell Computers has stimulated interest in the Mini-Cassia area for low-cost transportation. A confirmed schedule of when and where the bus service will stop has not been announced.

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